

Upside India

Duff & Phelps' India Restructuring Newsletter

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Welcome to the first edition of our newsletter – Upside India – which brings you an overall view into the latest news, case laws and other developments in the restructuring landscape in India along with updates from Duff & Phelps' restructuring practice from around the world.

Regulatory Updates

Pay interest to those funding companies in CIRP

To encourage lenders to finance companies once CIRP has been initiated against them, a panel looking at possible amendments for the bankruptcy law has suggested that lenders who finance companies undergoing CIRP be paid interest for at least one year from the date of beginning of liquidation process. ([Economic Times](#))

Insolvency Law Committee recommends giving financial creditors status to homebuyers

The Insolvency Law Committee has reportedly called for realty customers to be treated as financial creditors. This will make homebuyers part of the CoC that passes an insolvency resolution plan. ([Business Today](#))

Recent amendments from IBBI

The Insolvency and Bankruptcy Board of India (IBBI) has supported a transparent process for making regulations. Basis the feedback and comments received from different stakeholders, IBBI announced two sets of amendments on 27 March 2018. These amendments which largely circle around the constitution of Insolvency professional entity (IPE's), cost of resolution process and timelines of resolution process, became effective from 1st April 2018.

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Following are the key takeaways from the amendments:

Disclosure of cost:

The interim resolution professional or the resolution professional, as the case may be, shall disclose the item wise Insolvency resolution process cost in such manner as may be prescribed by the board.

Identification of Resolution applicant:

The resolution professional shall identify the prospective resolution applicants on or before 105th day from the insolvency commencement date.

IPE's:

An IPE is required to have a minimum capital of INR 1 crore with majority of its share capital is held by Insolvency professionals, who are its either partners or directors, as the case maybe. The sole objective of the IPE should be to provide support services to insolvency professionals, who are its partners or directors, as the case maybe. Also, the none of its partners or directors is a partner or director of another insolvency professional entity

Case Laws

Bank of Baroda vs Rotomac Global Pvt. Ltd. and Bank of Baroda vs. Rotomac Exports Pvt. Ltd.

NCLT ordered the liquidation of two Rotomac group companies as the initial 180-day period expired without any resolution and the CoC rejected the application for extending the CIRP by 90 days. ([NCLT Order](#))

Ongoing Case Updates

NCLT asks Binani Cement creditors to consider out-of-court settlement

NCLT has asked the CoC to consider an out-of-court settlement in the case of Binani Cement and take up a proposal by Binani Industries to pay off all lenders' dues for appropriate consideration. This almost paves the way for Aditya Birla's UltraTech Cement's takeover of the company outside the insolvency proceedings. ([Economic Times](#))

NCLT refused to put a stay on Essar Steel's second bid

NCLT declined to stay in the second round of bidding for Essar Steel as it was being sought by Numetal, which is appealing against its disqualification from bidding for bankrupt metal companies. Other entities eligible to bid are Tata Steel, Vedanta Group and Nippon Steel & Sumitomo Metal and SSG Capital. ([Economic Times](#))

Tata Steel on the brink of buying Bhushan Steel, awaits NCLT, CCI approvals

The first successful resolution among the 12 big cases seems around the corner with Tata Steel's acquisition of Bhushan Steel all but complete. Only the regulatory approvals from NCLT and CCI are left to be obtained. ([Economic Times](#))

Miscellaneous

Supreme Court has asked Jaypee to deposit INR 200 Cr by May 10

The Supreme Court has asked Jaiprakash Associates Limited (JAL) to deposit INR 200 crore in two instalments by May 10 to safeguard the interests of those who had bought flats from the company. ([Business Today](#))

Uttam Galva offers 51% of outstanding loan

Uttam Galva Steels has offered to settle the INR 56.5 Bn loan default by paying 51 percent upfront to the public sector banks to abort the auctioning of the company's assets. The company wrote to the lead bank, SBI, proposing a one-time settlement of all dues of lenders through an upfront payment mechanism. ([Business Standard](#))

Duff & Phelps News

Duff & Phelps Acquires Kroll From Corporate Risk Holdings

Duff & Phelps has signed a definitive agreement to acquire Kroll, the global leader in complex investigations, security and cyber solutions. The transaction dramatically enhances the combined firm's broad suite of services in the areas of valuation, corporate finance, compliance, investigations, security and cyber solutions. Kroll will also significantly expand Duff & Phelps' global scale, most notably in Europe and Latin America. The combined organization will have nearly 3,500 employees located in 28 countries around the world. To read more about the details of the acquisition [click here](#).

Duff & Phelps Achieves Successful Turnaround of Dreamland

Duff & Phelps secured over 250 jobs and led the project responsible for over £35 million of new investment into Dreamland, one of the oldest surviving amusement parks in the UK. To read more [click here](#).

Duff & Phelps Completes Sale of Feather & Black From Administration

Duff & Phelps completed the sale of the majority of the business and assets of Feather & Black (the “Company”) from Administration to Hilding Anders Holdings Limited (“HA Group”), a leading bedding and mattress company operating throughout Europe, Russia and Asia. To read more [click here](#).

Duff & Phelps Completes Sale of Petlon Polymers from Administration

Duff & Phelps completed the sale of the business and assets of Petlon Polymers Limited (“Petlon Polymers”) from Administration to Vision Petlon Polymers Limited, a subsidiary of Visionscape Group (“Visionscape”). To read more [click here](#).

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